

1929

# Imagination

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### Imagination

**I**N the hall-way of one of New York's historic buildings, now replaced by a modern sky-scraper, stood a bronze statue. The statue was that of the founder of the company to which the building belonged. The pedestal on which the statue rested bore the inscription, "Honesty and truth guard the defenseless."

The company, when it was organized some seventy years ago, entered upon a new line of business. It has passed through some stormy periods. At one time it was the victim of mismanagement and was the subject of legislative investigation. Today, it stands at the head of companies in its field, with assets valued at figures too big for the average mind to apprehend. The faith of its founder long since has been justified.

There are those who see in accountancy only a humdrum day's work; a means of eking out an existence. There are others who look upon it as a business in which success is measured in terms of "gross" and "net." Still others there are who view accountancy as a profession; who get a sense of satisfaction out of its practice as such, and who believe that service motivated by the desire to make each job a good job, cannot help but bring the reward of increasing practice.

The correct concept of accountancy, if

but one there be, may represent a horde of bookkeepers out of jobs. It may be a group of technicians, more or less skilled, pursuing financial gain. Again, it may be an assemblage of artisans who delight to do well and faithfully work of which they may be proud. The chances are that accountancy, in its true light, is a combination of technical skill and business ability, bound together with honesty and fearless adherence to truth.

Perhaps no one man, in the early days of the profession, had the vision to see that accountancy, as early as the year 1929, would have reached a point involving twenty-five thousand practitioners throughout this country. It is doubtful if any of the pioneers imagined a volume of practice reaching, probably, well-nigh \$100,000,000.00. Probably it was never anticipated that a time would arrive when accountants would be certifying to balance sheets carrying figures in billions.

But, undoubtedly, those who founded the root-organizations of accountancy in this country saw an image of the growth and development in which that service, guided by honesty and truth, has come to constitute a bulwark on which the great credit operations of the country rest.

To see in the mind's eye still greater things for accountancy does not require

large vision. If the imagination of its founders is to be fulfilled, the traditions of the past will need to be preserved, regardless of how accountancy is defined.

## Horseless Carriages—1928

**I**F one may rely on published statistics for the year 1928, the number of cars sold by American dealers during that year was 6,980,000. This, obviously, includes used cars the number of which was 3,760,000, or 53.8%.

Of every nine new cars sold five were entirely financed, and the sixth one was financed, graphically speaking, to a point back of the front wheels midway through the hood. Translated into stern statistics, 58.1% of all new cars were financed. Of the used cars sold 60% were financed.

The amount of money invested in car sales during the year 1928 reached the fabulous total of \$4,467,600,000.00—four billion, four hundred sixty-seven million six hundred thousand. To the credit of those who bought cars, be it said that collectively they provided 60% of the purchase price and borrowed but 40% thereof. The amount which they borrowed in connection with the financing was only \$1,799,330,000.00.

One may look at the repossessions aspect of the situation with some degree of economic pride. Of 3,222,000 new cars sold only 55,900 had to be repossessed, or 1.73% of the total. The collective loss on these cars repossessed amounted to \$3,343,000.00. This loss, compared with the amount of \$2,820,720,000.00 involved in the purchase price is almost negligible; .117 of 1%.

The loss per new car repossessed was \$59.80, compared with an average for all cars, both new and old, repossessed of \$56.00. This loss per car was somewhat higher than that for 1927, when the average was \$43.00 per car, but lower than that for 1926, when the loss per car reached \$65.00.

Any one who is interested in reading statistics and extracting significances there-

from may pick out a tale of keen competition between two great motor car producers by comparing Ford sales with sales of Chevrolet.

Any one who likes to speculate concerning the future may see from the statistics available that while car sales are somewhat concentrated (67.6% in 1928) in three large interests, the remaining sales (30.8% in 1928) are somewhat thinly spread over nine other interests identified by name, with 1.6% (in 1928) grouped as "all others."

The sales of the "all other" group have decreased from 3.0% in 1925, showing that 1.4% of the sales have been absorbed by specified interests. This business, obviously, did not go to the dominant interests inasmuch as that group, from 1925 to 1928, lost 4.3% of sales to the nine interests not included in the "all other" group. Whether this wearing down of the "big three" will continue, or the smaller companies will resort to consolidation, remains to be seen. The chances, it seems, are in favor of the latter course.

Speaking of exports in 1928, the number of passenger cars and motor trucks shipped from the United States was 507,110; an increase of 32% in number over the previous year. The value of the export shipments was \$354,895,862; an increase of 27.6% in value over the preceding year. Out of these percentages the statistician reads the story—"An increase in the number of lower priced cars." To prove it, he divides the number of vehicles into the value, with the result that the average price per vehicle for 1928 is \$699.00 as compared with \$723.00 for the year 1927.

Lest we be judged to our advantage, but erroneously for our erudition and research in the matter of motor-car statistics,